

STATE OF RHODE ISLAND
PROVIDENCE, SC.

SUPERIOR COURT

RHODE ISLAND ECONOMIC
DEVELOPMENT CORPORATION,

Plaintiff

v.

P.B. No.: 12-5616

WELLS FARGO SECURITIES, LLC, ET
AL.,

Defendants

**ANSWER OF STARR INDEMNITY & LIABILITY
COMPANY TO FIRST AMENDED COMPLAINT**

1. The defendant Starr Indemnity & Liability Company (“defendant”) admits that the Rhode Island Development Corporation (“EDC”) was created by R.I. Gen Laws § 42-64-1, *et seq.*, to promote certain economic policies of the State of Rhode Island. The defendant is without knowledge to admit or deny the remaining allegations set forth in Paragraph 1 of the First Amended Complaint.

2. The defendant admits that these are some of the statutory purposes of the EDC as set forth in R.I. Gen Law §42-64-2.

3. The defendant admits the allegations of Paragraph 3 of the First Amended Complaint.

4. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 4 of the First Amended Complaint.

5. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 5 of the First Amended Complaint.

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6. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 6 of the First Amended Complaint.

7. The defendant admits it is an insurance company domiciled in Texas and qualified to do business in Rhode Island with an office and principal place of business in New York, New York. The defendant admits it issued a policy of insurance under which 38 Studios LLC is a named insured. The defendant says that the policy speaks for itself and denies the remaining allegations of Paragraph 7 of the First Amended Complaint.

8. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 8 of the First Amended Complaint.

9. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 9 of the First Amended Complaint.

10. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 10 of the First Amended Complaint.

11. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 11 of the First Amended Complaint.

12. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 12 of the First Amended Complaint.

13. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 13 of the First Amended Complaint.

14. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 14 of the First Amended Complaint.

15. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 15 of the First Amended Complaint.

16. The defendant denies that 38 Studios LLC is currently in the business of developing video games. The defendant is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of Paragraph 16 of the First Amended Complaint.

17. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 17 of the First Amended Complaint.

18. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 18 of the First Amended Complaint.

19. The defendant admits the allegations of Paragraph 19 of the First Amended Complaint.

20. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 20 of the First Amended Complaint.

21. The allegations of Paragraph 21 of the First Amended Complaint are conclusions of law rather than factual assertions and can be neither admitted nor denied. To the extent that an answer is deemed to be required the defendant denies the allegation of Paragraph 21 of the First Amended Complaint.

22. The allegations of Paragraph 22 of the First Amended Complaint are conclusions of law rather than factual assertions and can be neither admitted nor denied. To the extent that an answer is deemed to be required the defendant denies the allegation of Paragraph 22 of the First Amended Complaint.

23. The defendant is without knowledge or information sufficient to form a belief as to the truth of allegations of Paragraph 23 of the First Amended Complaint.

24. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 24 of the First Amended Complaint.

25. The defendant admits the 38 Studios filed a petition for liquidation in the U.S. Bankruptcy Court for the District of Delaware on June 7, 2012. The defendant denies the remaining allegations of Paragraph 25 of the First Amended Complaint.

26. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 26 of the First Amended Complaint.

27. The defendant is without knowledge as to what the EDC Board understood and can therefore neither admit nor deny. The defendant denies the remaining allegations of Paragraph 27 of the First Amended Complaint.

28. To the extent the allegations of Paragraph 28 of the First Amended Complaint are conclusions of law rather than factual assertions the defendant can neither admit nor deny. The defendant denies the remaining allegations of Paragraph 28 of the First Amended Complaint.

29. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 29 of the First Amended Complaint.

30. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 30 of the First Amended Complaint.

31. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 31 of the First Amended Complaint.

32. To the extent this paragraph merely describes the allegations of the complaint, the defendant says that the complaint speaks for itself. The defendant otherwise denies the allegations of Paragraph 32 (subparagraphs a-m) of the First Amended Complaint.

33. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 33 of the First Amended Complaint.

34. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 34 of the First Amended Complaint.

35. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 35 of the First Amended Complaint.

36. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 36 of the First Amended Complaint.

37. The defendant says that the Term Sheet speaks for itself and otherwise is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 37 of the First Amended Complaint.

38. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 38 of the First Amended Complaint.

39. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 39 of the First Amended Complaint.

40. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 40 of the First Amended Complaint.

41. The defendant is without knowledge as to what Schilling, Zaccagnino, Wester and MacLean read and understood. The defendant says that the April 1 Projections document speaks for itself and denies the remaining allegations of Paragraph 41 of the First Amended Complaint.

42. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 42 of the First Amended Complaint.

43. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 43 of the First Amended Complaint.

44. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 44 of the First Amended Complaint.

45. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 45 of the First Amended Complaint.

46. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 46 of the First Amended Complaint.

47. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 47 of the First Amended Complaint.

48. The defendant admits that the undertaking to relocate to Rhode Island was a condition of 38 Studios receiving the loan. The defendant says that the Equity PPM speaks for itself and otherwise is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 48 of the First Amended Complaint.

49. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 49 of the First Amended Complaint.

50. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 50 of the First Amended Complaint.

51. The defendant says that the draft Term Sheet speaks for itself and otherwise is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 51 of the First Amended Complaint.

52. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 52 of the First Amended Complaint.

53. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 53 of the First Amended Complaint.

54. The defendant says that the April 1 Projections document speaks for itself and otherwise is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 54 of the First Amended Complaint.

55. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 55 of the First Amended Complaint.

56. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 56 of the First Amended Complaint.

57. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 57 of the First Amended Complaint.

58. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 58 of the First Amended Complaint.

59. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 59 of the First Amended Complaint.

60. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 60 of the First Amended Complaint.

61. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 61 of the First Amended Complaint.

62. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 62 of the First Amended Complaint.

63. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 63 of the First Amended Complaint.

64. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 64 of the First Amended Complaint.

65. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 65 of the First Amended Complaint.

66. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 66 of the First Amended Complaint.

67. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 67 of the First Amended Complaint.

68. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 68 of the First Amended Complaint.

69. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 69 of the First Amended Complaint.

70. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 70 of the First Amended Complaint.

71. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 71 of the First Amended Complaint.

72. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 72 of the First Amended Complaint.

73. The defendant admits the allegations of Paragraph 73 of the First Amended Complaint.

74. The defendant admits that the plaintiff has accurately set forth a portion of Public Law 026/029. To the extent this paragraph mischaracterizes the law, defendant denies same.

75. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 75 of the First Amended Complaint.

76. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 76 of the First Amended Complaint.

77. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 77 of the First Amended Complaint.

78. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 78 of the First Amended Complaint.

79. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 79 of the First Amended Complaint.

80. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 80 of the First Amended Complaint.

81. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 81 of the First Amended Complaint.

82. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 82 of the First Amended Complaint.

83. The defendant admits that the Inducement Resolution was adopted on or about June 14, 2010 and says that the terms of the resolution speak for themselves. Defendant otherwise denies the allegations of Paragraph 83 of the First Amended Complaint.

84. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 84 of the First Amended Complaint.

85. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 85 of the First Amended Complaint.

86. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 86 of the First Amended Complaint.

87. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 87 of the First Amended Complaint.

88. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 88 of the First Amended Complaint.

89. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 89 of the First Amended Complaint.

90. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 90 of the First Amended Complaint.

91. The defendant is says that the April 1 Projections document speaks for itself and otherwise without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 91 of the First Amended Complaint.

92. The defendant says that the revised Term Sheet speaks for itself and otherwise is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 92 of the First Amended Complaint.

93. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 93 of the First Amended Complaint.

94. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 94 of the First Amended Complaint.

95. The defendant says that the referenced documents speak for themselves and otherwise is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 95 of the First Amended Complaint.

96. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 96 of the First Amended Complaint.

97. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 97 of the First Amended Complaint.

98. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 98 of the First Amended Complaint.

99. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 99 of the First Amended Complaint.

100. The defendant says that the referenced documents speak for themselves and otherwise is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 100 of the First Amended Complaint.

101. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 101 of the First Amended Complaint.

102. The defendant denies that there was a false finding and is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 102 of the First Amended Complaint.

103. The defendant denies that MacLean, Zaccagnino, Webster or Schilling knew or should have known that they were procuring the issuance of the Bonds and the loan to 38 Studios in violation of state law and otherwise lacks sufficient knowledge to admit or deny the allegations of Paragraph 103 of the First Amended Complaint.

104. The defendant denies the allegations of Paragraph 104 of the First Amended Complaint with respect to MacLean, Zaccagnino, Webster, Schilling or Starr and otherwise lacks sufficient knowledge to admit or deny the allegations of this paragraph.

105. The defendant denies that it was unreasonable for any of the Defendants to assume the EDC Board had knowledge of the facts and otherwise is without knowledge or

information sufficient to form a belief as to the truth of the allegations of Paragraph 105 of the First Amended Complaint.

106. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 106 of the First Amended Complaint.

107. The defendant admits that the EDC Board convened on or about July 26, 2010 and adopted the Authorizing Resolutions. The defendant denies that there was a false finding and is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of Paragraph 107 of the First Amended Complaint.

108. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 108 of the First Amended Complaint.

109. The defendant denies that there was a false finding and is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of Paragraph 109 of the First Amended Complaint.

110. The defendant denies the allegations of Paragraph 110 of the First Amended Complaint.

111. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 111 of the First Amended Complaint.

112. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 112 of the First Amended Complaint.

113. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 113 of the First Amended Complaint.

114. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 114 of the First Amended Complaint.

115. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 115 of the First Amended Complaint.

116. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 116 of the First Amended Complaint.

117. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 117 of the First Amended Complaint.

118. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 118 of the First Amended Complaint.

119. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 119 of the First Amended Complaint.

120. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 120 of the First Amended Complaint.

121. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 121 of the First Amended Complaint.

122. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 122 of the First Amended Complaint.

123. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 123 of the First Amended Complaint.

124. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 124 of the First Amended Complaint.

125. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 125 of the First Amended Complaint.

126. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 126 of the First Amended Complaint.

127. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 127 of the First Amended Complaint.

128. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 128 of the First Amended Complaint.

129. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 129 of the First Amended Complaint.

130. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 130 of the First Amended Complaint.

131. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 131 of the First Amended Complaint.

132. The defendant admits that a Bond Placement Agreement (“BPA”) was executed. As to the remaining allegations of Paragraph 132 of the First Amended Complaint the defendant is without knowledge or information sufficient to form a belief as to the truth of such allegations.

133. The defendant admits that the language set forth in Paragraph 133 of the First Amended Complaint is included in the BPA and otherwise is without knowledge or information sufficient to form a belief as to the truth of the allegations of this paragraph.

134. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 134 of the First Amended Complaint.

135. The defendant admits that the language set forth in Paragraph 135 of the First Amended Complaint is included in the BPA and otherwise is without knowledge or information sufficient to form a belief as to the truth of the allegations of this paragraph.

136. The defendant denies the allegations of Paragraph 136 of the First Amended Complaint.

137. The defendant admits that the language set forth in Paragraph 137 of the First Amended Complaint is included in the BPA and otherwise is without knowledge or information sufficient to form a belief as to the truth of the allegations of this paragraph.

138. The defendant says that the Bond PPM speaks for itself and otherwise is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 138 of the First Amended Complaint.

139. The defendant admits that the BPA contains certain warranties and covenants. The defendant is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of Paragraph 139 of the First Amended Complaint.

140. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 140 of the First Amended Complaint.

141. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 141 of the First Amended Complaint.

142. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 142 of the First Amended Complaint.

143. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 143 of the First Amended Complaint.

144. The defendant admits that 38 Studios did not complete Copernicus and filed for liquidation in bankruptcy. The defendant is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of Paragraph 144 of the First Amended Complaint.

145. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 145 of the First Amended Complaint.

146. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 146 of the First Amended Complaint.

147. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 147 of the First Amended Complaint.

148. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 148 of the First Amended Complaint.

149. The defendant admits that the language set forth in Paragraph 149 of the First Amended Complaint is found in the agreement between Wells Fargo and 38 Studios and otherwise is without knowledge or information sufficient to form a belief as to the truth of the allegations of this paragraph.

150. The defendant admits that the language set forth in Paragraph 150 of the First Amended Complaint is found in the agreement between Wells Fargo and 38 Studios and otherwise is without knowledge or information sufficient to form a belief as to the truth of the allegations of this paragraph.

151. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 151 of the First Amended Complaint.

152. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 152 of the First Amended Complaint.

153. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 153 of the First Amended Complaint.

154. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 154 of the First Amended Complaint.

155. The defendant admits that the language set forth in Paragraph 155 of the First Amended Complaint is included in the BPA and otherwise is without knowledge or information sufficient to form a belief as to the truth of the allegations of this paragraph.

156. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 156 of the First Amended Complaint.

157. The defendant admits that the language set forth in Paragraph 157 of the First Amended Complaint is contained in the BPA. The defendant is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of Paragraph 157 of the First Amended Complaint.

158. The defendant admits that the language set forth in Paragraph 158 of the First Amended Complaint is contained in the BPA. The defendant denies the remaining allegations of Paragraph 158 of the First Amended Complaint.

159. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 159 of the First Amended Complaint.

160. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 160 of the First Amended Complaint.

161. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 161 of the First Amended Complaint.

162. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 162 of the First Amended Complaint.

163. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 163 of the First Amended Complaint.

164. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 164 of the First Amended Complaint.

165. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 165 of the First Amended Complaint.

166. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 166 of the First Amended Complaint.

167. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 167 of the First Amended Complaint.

168. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 168 of the First Amended Complaint.

169. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 169 of the First Amended Complaint.

170. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 170 of the First Amended Complaint.

171. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 171 of the First Amended Complaint.

172. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 172 of the First Amended Complaint.

173. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 173 of the First Amended Complaint.

174. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 174 of the First Amended Complaint.

175. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 175 of the First Amended Complaint.

176. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 176 of the First Amended Complaint.

177. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 177 of the First Amended Complaint.

178. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 178 of the First Amended Complaint.

179. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 179 of the First Amended Complaint.

180. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 180 of the First Amended Complaint.

181. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 181 of the First Amended Complaint.

182. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 182 of the First Amended Complaint.

183. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 183 of the First Amended Complaint.

184. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 184 of the First Amended Complaint.

185. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 185 of the First Amended Complaint.

186. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 186 of the First Amended Complaint.

187. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 187 of the First Amended Complaint.

188. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 188 of the First Amended Complaint.

189. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 189 of the First Amended Complaint.

190. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 190 of the First Amended Complaint.

191. The defendant admits an agreement was entered into between IBM and 38 Studios and says that such agreement speaks for itself. As to the remaining allegations of Paragraph 191 of the First Amended Complaint, the defendant is without knowledge or information sufficient to form a belief as to the truth of such allegations.

192. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 192 of the First Amended Complaint.

193. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 193 of the First Amended Complaint.

194. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 194 of the First Amended Complaint.

195. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 195 of the First Amended Complaint.

196. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 196 of the First Amended Complaint.

197. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 197 of the First Amended Complaint.

198. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 198 of the First Amended Complaint.

199. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 199 of the First Amended Complaint.

200. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 200 of the First Amended Complaint.

201. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 201 of the First Amended Complaint.

202. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 202 of the First Amended Complaint.

203. The defendant admits that the quoted language is found in the BPA and otherwise is without knowledge or information sufficient to form a belief as to the truth of the allegations of this paragraph.

204. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 204 of the First Amended Complaint.

205. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 205 of the First Amended Complaint.

206. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 206 of the First Amended Complaint.

207. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 207 of the First Amended Complaint.

208. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 208 of the First Amended Complaint.

209. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 209 of the First Amended Complaint.

210. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 210 of the First Amended Complaint.

211. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 211 of the First Amended Complaint.

212. The defendant is without knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 212 of the First Amended Complaint.

COUNT I
(Breach Of Fiduciary Duty)

213. The defendant repeats and realleges by reference its answers to paragraphs 1-212 above.

214-219. Paragraphs 214 through 219 of the First Amended Complaint are not directed to this defendant and therefore no response is required. In the event that any portion of these paragraphs is read to be applicable to this defendant, the defendant denies the allegations contained therein.

COUNT II
(Breach of Fiduciary Duty – Wells Fargo’s Hidden Commissions)

220. The defendant repeats and realleges by reference its answers to paragraphs 1-219 above.

221-225. Paragraphs 221 through 225 of the First Amended Complaint are not directed to this defendant and therefore no response is required. In the event that any portion of these paragraphs is read to be applicable to this defendant, the defendant denies the allegations contained therein.

COUNT III
(Fraud)

226. The defendant repeats and realleges by reference its answers to paragraphs 1-225 above.

227-230. Paragraphs 227 through 230 of the First Amended Complaint are not directed to this defendant and therefore no response is required. In the event that any portion of these paragraphs is read to be applicable to this defendant, the defendant denies the allegations contained therein

COUNT IV
(Fraudulent Misrepresentations and Omissions)

231. The defendant repeats and realleges by reference its answers to paragraphs 1-230 above.

232-234. Paragraphs 232 through 234 of the First Amended Complaint are not directed to this defendant and therefore no response is required. In the event that any portion of these paragraphs is read to be applicable to this defendant, the defendant denies the allegations contained therein.

COUNT V
(Negligent Misrepresentation)

235. The defendant repeats and realleges by reference its answers to paragraphs 1-234 above.

236. The defendant denies the allegations of Paragraph 236 of the First Amended Complaint.

237. The defendant denies the allegations of Paragraph 237 of the First Amended Complaint.

238. The defendant denies the allegations of Paragraph 238 of the First Amended Complaint.

239. The defendant denies the allegations of Paragraph 239 of the First Amended Complaint.

WHEREFORE, the defendant demands that Count V of the First Amended Complaint filed against it be dismissed and that judgment enter for the defendant, together with its costs.

COUNT VI
(Legal Malpractice)

240. The defendant repeats and realleges by reference its answers to paragraphs 1-239 above.

241-244. Paragraphs 241 through 244 of the First Amended Complaint are not directed to this defendant and therefore no response is required. In the event that any portion of these paragraphs is read to be applicable to this defendant, the defendant denies the allegations contained therein.

COUNT VII
(Negligence)

245. The defendant repeats and realleges by reference its answers to paragraphs 1-244 above.

246-247. This Count has been dismissed as to defendant Starr Indemnity & Liability Company per the Decision of the Court dated August 28, 2013. Therefore, no response is required at this time. In the event that any portion of this Count is deemed to remain or is reinstated the defendant denies the allegations contained therein.

COUNT VIII
(Breach of Implied Covenant of Good Faith and Fair Dealing)

248. The defendant repeats and realleges by reference its answers to paragraphs 1-247 above.

249-251. This Count has been dismissed as to defendant Starr Indemnity & Liability Company by stipulation as set forth in the Decision of the Court filed August 28, 2013. Therefore, no response is required at this time. In the event that any portion of this Count is deemed to remain or is reinstated the defendant denies the allegations contained there.

COUNT IX
(Damages Under R.I. Gen. Laws §42-64-9.3)

252. The defendant repeats and realleges by reference its answers to paragraphs 1-251 above.

253-256. Paragraphs 253 through 256 of the First Amended Complaint are not directed to this defendant and therefore no response is required. In the event that any portion of these paragraphs is read to be applicable to this defendant, the defendant denies the allegations contained therein.

COUNT X
(Mandatory Final Injunction Pursuant to EDC Enforcement Powers)

257. The defendant repeats and realleges by reference its answers to paragraphs 1-256 above.

258-263. This Count has been dismissed in its entirety against all parties, including defendant Starr Indemnity per the Decision of the Court filed August 28, 2013. Therefore, no response is required at this time. In the event that any portion of this Count is deemed to remain or is reinstated the defendant denies the allegations contained there.

COUNT XI
(Civil Damages under R.I. Gen. Laws §9-1-2)

264. The defendant repeats and realleges by reference its answers to paragraphs 1-263 above.

265-270. Paragraphs 265 through 270 of the First Amended Complaint are not directed to this defendant and therefore no response is required. In the event that any portion of these paragraphs is read to be applicable to this defendant, the defendant denies the allegations contained therein.

COUNT XII
(R.I. RICO (Sub-section (a)))

271. The defendant repeats and realleges by reference its answers to paragraphs 1-270 above.

272-281. Paragraphs 272 through 281 of the First Amended Complaint are not directed to this defendant and therefore no response is required. In the event that any portion of these paragraphs is read to be applicable to this defendant, the defendant denies the allegations contained therein.

COUNT XIII
(R.I. RICO (Sub-section (c)))

282. The defendant repeats and realleges by reference its answers to paragraphs 1-281 above.

283-289. Paragraphs 283 through 289 of the First Amended Complaint are not directed to this defendant and therefore no response is required. In the event that any portion of these paragraphs is read to be applicable to this defendant, the defendant denies the allegations contained therein.

COUNT XIV
(Civil Conspiracy)

290. The defendant repeats and realleges by reference its answers to paragraphs 1-289 above.

291-294. Paragraphs 291 through 294 of the First Amended Complaint are not directed to this defendant and therefore no response is required. In the event that any portion of these paragraphs is read to be applicable to this defendant, the defendant denies the allegations contained therein.

COUNT XV
(Unjust Enrichment)

295. The defendant repeats and realleges by reference its answers to paragraphs 1-294 above.

296-298. Paragraphs 296 through 298 of the First Amended Complaint are not directed to this defendant and therefore no response is required. In the event that any portion of these paragraphs is read to be applicable to this defendant, the defendant denies the allegations contained therein.

COUNT XVI
(Declaratory Relief on Liability)

299. The defendant repeats and realleges by reference its answers to paragraphs 1-298 above.

300. The defendant denies the allegations of Paragraph 300 of the First Amended Complaint.

301. The defendant denies the allegations of Paragraph 301 of the First Amended Complaint.

WHEREFORE, the defendant demands that Count XVI of the First Amended Complaint filed against it be dismissed and that judgment enter for the defendant, together with its costs.

JURY DEMAND

THE DEFENDANT HEREBY REQUESTS A TRIAL BY JURY.

FIRST AFFIRMATIVE DEFENSE

The Complaint should be dismissed pursuant to Rule 12(b)(6) for failure to state a claim upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

The Complaint is barred by the applicable terms and conditions of the Starr policy.

THIRD AFFIRMATIVE DEFENSE

The Complaint is barred by Exclusion 3(a) of the Directors & Officers Liability Coverage Section of the Starr policy, which provides in pertinent part that the policy shall not cover any Loss in connection with any Claim arising out of, based upon or attributable to the gaining of any profit or advantage to which the Insured was not legally entitled or any improper or illegal remuneration.

FOURTH AFFIRMATIVE DEFENSE

The Complaint is barred by Exclusion 3(b) of the Directors & Officers Liability Coverage Section of the Starr policy, which provides in pertinent part that the policy shall not cover any Loss in connection with any Claim arising out of, based upon or attributable to any deliberate fraudulent act or any willful violation of law.

FIFTH AFFIRMATIVE DEFENSE

The Complaint is barred by Exclusion 3(c) of the Directors & Officers Liability Coverage Section of the Starr policy, which provides in pertinent part that the policy shall not cover any Loss in connection with any Claim arising out of, based upon or attributable to the purchase or sale by an Insured of securities of the Company.

SIXTH AFFIRMATIVE DEFENSE

On information and belief, the Complaint is barred in whole or in part by Exclusion 3(d) of the Directors & Officers Liability Coverage Section of the Starr policy, which provides in pertinent part that the policy shall not cover any Loss in connection with any Claim arising out of, based upon or attributable to any facts or circumstances of which an Insured Person had actual knowledge or information of, as of the Pending or Prior Date set forth in Item 6 of the Declarations, as modified by Endorsement No. 13.

SEVENTH AFFIRMATIVE DEFENSE

The Complaint is barred by Exclusion 3(e) of the Directors & Officers Liability Coverage Section of the Starr policy, which provides in pertinent part that the policy shall not cover any Loss in connection with any Claim based upon, arising from or in consequence of any actual or alleged liability of any Insured under any express contract or agreement.

EIGHTH AFFIRMATIVE DEFENSE

To the extent the Complaint alleges damage to the plaintiff's reputation, the Complaint is barred by Exclusion 3(n) of the Directors & Officers Liability Coverage Section of the Starr policy, which provides in pertinent part that the policy shall not cover any Loss in connection with any Claim for libel, slander, or oral or written publication of defamatory material.

NINETH AFFIRMATIVE DEFENSE

The Complaint is barred in whole or in part by the definition of Loss in Directors & Officers Liability Coverage Section of the Starr policy, which provides that covered Loss does not include any amounts for which the Insureds are not legally liable or which are without legal recourse to the Insureds, taxes, fines and penalties, matters deemed uninsurable under the law or the cost of complying with non-monetary or injunctive relief.

TENTH AFFIRMATIVE DEFENSE

The Complaint is barred in whole or in part by Section 4 of the Directors & Officers Liability Coverage Section of the Starr policy, captioned Order of Payments.

ELEVENTH AFFIRMATIVE DEFENSE

The Complaint is barred in whole or in part by Section 7 of the General Terms & Conditions Section of the Starr policy, which provides for allocation between covered and uncovered liabilities.

TWELFTH AFFIRMATIVE DEFENSE

To the extent any other insurance is available, the Complaint is barred in whole or in part by Section 9 of the General Terms & Conditions Section of the Starr policy, captioned Other Insurance.

THIRTEENTH AFFIRMATIVE DEFENSE

On information and belief, the Complaint is barred in whole or in part by Section 10 of the General Terms & Conditions Section of the Starr policy as modified by Endorsement No. 11, captioned Representations and Severability, which provides in pertinent part that in the event the statements, warranties, representations or information contained in the Application for insurance are not accurate and complete, no coverage shall be afforded for any Claim alleging, arising out of, based upon, attributable to or in consequence of any incomplete or inaccurate statements, warranties or representations.

FOURTEENTH AFFIRMATIVE DEFENSE

On information and belief, the Complaint is barred in whole or in part by the terms of a Warranty and Representation Letter dated April 21, 2010, which states in pertinent part that no person or entity proposed for coverage under the Starr policy has knowledge or information of any act, error or omission which might give rise to a claim under the policy, and that if any such knowledge or information exists then any claim arising from or related to such knowledge or information is excluded from coverage under the policy.

FIFTEENTH AFFIRMATIVE DEFENSE

The plaintiff was comparatively negligent and/or contributorily negligent.

SIXTEENTH AFFIRMATIVE DEFENSE

The Complaint is barred by the doctrines of waiver and/or estoppel.

SEVENTEENTH AFFIRMATIVE DEFENSE

The Complaint is barred by the Economic Loss Doctrine.

EIGHTEENTH AFFIRMATIVE DEFENSE

The acts complained of in the Complaint were committed by persons for whose conduct the defendant and its Insureds were not responsible.

NINETEENTH AFFIRMATIVE DEFENSE

To the extent that the defendant or its Insureds had any obligation to the plaintiff, such obligations have been fully, completely and properly performed in every respect.

TWENTIETH AFFIRMATIVE DEFENSE

The plaintiff has failed to mitigate its damages.

TWENTY-FIRST AFFIRMATIVE DEFENSE

Any liability of 38 Studios to the plaintiff is expressly limited by the terms of the documents entered into by the parties.

TWENTY-SECOND AFFIRMATIVE DEFENSE

The plaintiff assumed the risk of any and all damages it now alleges.

TWENTY-THIRD AFFIRMATIVE DEFENSE

The plaintiff has not suffered any injury or damage and is therefore not entitled to any relief.

TWENTY-FOURTH AFFIRMATIVE DEFENSE

The plaintiff's alleged damages were caused by an independent intervening cause for which the defendant and/or its Insureds is not responsible.

TWENTY-FIFTH AFFIRMATIVE DEFENSE

The Complaint should be dismissed because it fails to name one or more indispensable parties.

TWENTY-SIXTH AFFIRMATIVE DEFENSE

The plaintiff has failed to allege misrepresentation and fraud with particularity.

TWENTY-SEVENTH AFFIRMATIVE DEFENSE

The plaintiff did not justifiably rely on any alleged misstatements by the defendant or its Insureds.

TWENTY-EIGHTH AFFIRMATIVE DEFENSE

The complaint must be dismissed because neither 38 Studios nor the defendant owed a duty of reasonable care to the plaintiff.

TWENTY-NINTH AFFIRMATIVE DEFENSE

The complaint is barred under R.I. G. L. §27-7-2.4 in that it asserts non-tort causes of action against the defendant.

THIRTIETH AFFIRMATIVE DEFENSE

Pursuant to R.I. Gen. Laws §27-7-2.4 any potential recovery against the defendant is limited to the available insurance coverage, including the applicable Limit of Liability under the Starr policy.

THIRTY-FIRST AFFIRMATIVE DEFENSE

The damages alleged by the plaintiff were caused by the superseding acts of third persons for which the defendant and its Insureds are not liable.

THIRTY-SECOND AFFIRMATIVE DEFENSE

To the extent the Complaint alleges that the EDC and/or the EDC Board or its agents violated the law, the complaint is barred by the doctrine of *in pari delicto*.

THIRTY-THIRD AFFIRMATIVE DEFENSE

The Complaint should be dismissed because the plaintiff acted with unclean hands.

THIRTY-FOURTH AFFIRMATIVE DEFENSE

The plaintiff lacks standing to assert the claims set forth in the First Amended Complaint.

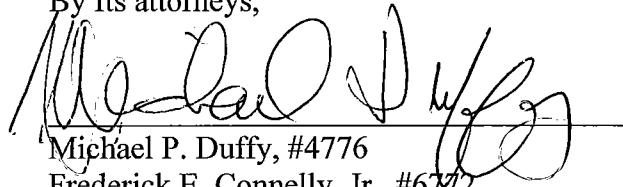
THIRTY-FIFTH AFFIRMATIVE DEFENSE

Starr incorporates by reference and adopts all additional affirmative defenses asserted by any of its Insureds with respect to the First Amended Complaint.

WHEREFORE, the defendant demands that the First Amended Complaint filed against it be dismissed and that judgment enter for the defendant, together with its costs.

STARR INDEMNITY AND LIABILITY
COMPANY

By Its attorneys,

A handwritten signature in black ink, appearing to read "Michael P. Duffy", is written over a horizontal line.

Michael P. Duffy, #4776

Frederick E. Connelly, Jr., #6772

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CERTIFICATE OF SERVICE

I, Frederick E. Connelly, Jr., hereby certify that on this 24th day of September, 2013 I have forwarded a copy of the foregoing by serving a copy by first-class, postage pre-paid mail to all counsel of record:

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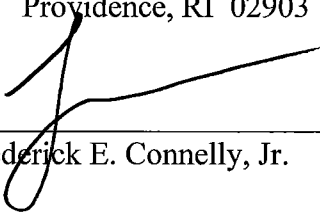
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